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A

Short View

Of the Apparent

DANGERS

AND

MISCHIEFS

FROM THE

Bank of England.

More particularly address'd to the Country Gentlemen.

L O N D O N,

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*A Short View of the Apparent Dangers
and Mischiefs from the Bank of Eng-
land.*

I Am so far from thinking that I ought to make an Apology for touching on the Subject before me, that I am much perplexed to find a tolerable Reason why (amidst the Trifles of Party-Disputes) none have employ'd their Thoughts and Pens, about what so nearly concerns the Well-being of the Nation. I would not willingly charge any Gentlemen with Ignorance or Negligence, in any thing that relates to the Polity of the Kingdom. But the strange Easiness, with which they have born the intolerable Grievance, of such an unpresidented Confederacy, without so much as complaining, argues too much good Nature or Insensibility. Without doubt the near Prospect of the Period of the Bank, has made some resolve rather to submit with Patience, than complain of what, for the Remain-

der of its Time cannot be shook off: And were there no Attempts to prolong it, I should be of their Number. But others thinking too slightly, and viewing too superficially the Sores of the Nation, with the common Cry, throw all our Misfortunes upon the War, not considering what ill Humours we have within our selves, to aggravate the Wounds of the War, and make them fester. To undeceive these too careless Gentlemen, I have made the following Observations of the Shocks this dangerous Experiment has given to our Constitution, whereby they may easily discern, that if ever we would recover our healthy, vigorous and flourishing State, we must quit our Quack Receipts, and return to our plain simple Diet. I have contracted them into as short a Compass as possible, knowing that to any unprejudic'd Mind the Matters of Fact are so plain, that they carry their own Evidence; and to labour to illustrate them, would but seem to suspect the Ability and Integrity of the Gentlemen I apply to.

In order to the making a true Judgment of the Influence the Bank of *England*, as now establish'd, has upon the State of the Nation, it will be necessary to go back to the Time and Occasion of its Creation, that we may see why the same thing at its first Institution may be of Use and Service, and
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afterwards, upon Alteration of Circumstances, may be dangerous and destructive. Fainting Spirits and decayed Constitutions, must be supported and recruited by Art; but should a Man recover'd from Sickneſs bring what he then uſed for Neceſſity into a fix'd Habit, it muſt end at laſt very fatally. It is too freſh in our Memories, that the Bank of *England* was erected at ſuch a Conjuncture as 'tis to be hop'd will never be ſeen here again. The Nation had been for ſome Years in an expenſive, hazardous, and doubtful War, the Government had drained all their Projects to raiſe the neceſſary Supplies, but the Credit of the Nation ſunk, occaſioned partly by the Diviſions of the Parliament, the Deficiency of the Funds, and moſt unfortunately by the Baſeneſs of our Coin, ſo that neither our Money nor our Credit would paſs at Market. In this Neceſſity what muſt the Government do, ſome Method muſt be found to oppoſe this dangerous Enemy from carrying on his Invaſion. It was now no time to expect to reſiſt it without a general Confederacy, and when ſuch an Enemy was at our doors, it was too favourable an Opportunity for ſuch a Fort as this to be erected, which, however at that time deſign'd for our Defence, ſerves now to over-awe us, and has turn'd its Cannon againſt the State it was built to protect. At ſuch a time
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what would not 12000000^l. backed with such plausible Pretences, purchase, so tempting a Bait could not but be swallowed, without suspecting a Hook. The State was then in Combustion, and all hands were invited to quench it, and in this the Bank have acted like the rest of the World in such a Case, showing that the Plunder was a greater Temptation than the Zeal of doing good Service. This was the State in which they found us, and we feel now how troublesome and pernicious Guests they have been; they were good Visitors, but are very bad Inhabitants; and I hope our Legislators, when they consider the different Circumstances in which we now are, from what we were in at their first Admission, will not grant a further Settlement to such unnecessary Inmates. We are, God be thanked, greatly recover'd from that dangerous Crisis which we then were in, our Credit retriev'd, our Money re-coin'd, great part of our Debts paid, and almost all provided for. And though we have since been for some Years in an expensive War, by the prudent Management of the Treasury, our Interest at a moderate rate; and we croud more to get our Money into the Funds, than heretofore to get out of them; whereby we are freed from any necessity of running our selves into any dangerous risque for supporting the Wants of the Government.

ment. It is therefore left to us as a matter of Prudence whether the Bank of *England* ought to be continued for any longer time or no. For the judging whereof it will be proper briefly to show what their Services have already been to the Nation, and what Mischiefs and Dangers are the apparent Consequences of a further Establishment, and then what Equivalent they can pretend to offer to balance the Charges against them. It must not be denied, that at their first Institution, and for some time afterwards, they did considerable Services by the Currency of their Specie-Notes on the Credit of their Fund, during the want of currant Coin, and by advancing Money on the Government-Securities, and for some short time on private Gentlemens Securities. But it must also not be denied, that their too great Credit has been often employed for oppressing others. The Gentlemen that have had the Management of the Bank, have too often given Specimens of their Tyranny, and I could tell you when by running on a certain Goldsmith, with intent to ruin him, and by him the Credit of his Neighbours, they gave such a shock to Credit in general, that they themselves suffer'd severely in their own Contrivances. Many other Instances might be given of their Arbitrary Proceedings, but I mention this only to show, that it is not
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in the Nature of such a Corporation to have any Consideration to the Publick Good, while they could venture to ruin the whole for the gratifying their Revenge, or the suppressing a Rival: *And if they have done this in a green Tree, what shall be done in a dry.* Whether this ought to be encourag'd, may be easily determined. As to their other Services, by lending on the Government-Securities, which they value themselves so much upon, and whereon they build their Merit, it is well known, how much short they have been of what they pretend, and of what others constantly do. I need instance here only in Exchequer-Bills; Did the Bank subscribe to the circulating those Bills, when the Government was forced in its Necessities to give a Premium of 10 *per Cent.* to draw in Subscribers? No, when their Ends were secured, they would serve the State when they pleased, not with regard to the Necessities and Service of the Publick, but to their own Interest. Nor have they been humourous in this Instance only, but frequently in others, refusing often to lend at the latter end of a Fund, though never so good, even upon an Exigency of State. But their Patrons cry they will discount your Tallies upon Demand; and a noble Service is this indeed! Enquire but at the *Exchange* what a help this is to the Credit of the Nation,

Nation, that the Bank will discount your best Talleys at *Par*, when upon the *Exchange* you may currently receive from private Persons a *Premium* for the same Talleys. If it is a Service to the Government, that the Bank will not give so much for their Securities as private Persons, and they will help them off with the best of them, and leave the Refuse on their Hands, then they may pretend to be serviceable, but if Self-Interest be their only Motive to make them very scrupulous, I cannot discern any Merit or Obligation: Nay, herein they not only do the Government no service themselves, but they hinder others from doing it, while with their Interest for Money on demand, they decoy that Cash into their Clutches, which would otherwise be lent the Government. But to the Country-Gentlemen, I hope they will not pretend to do service, nay let them blush that they must own they have totally fail'd in what they promis'd them. It was the main Motive for these Gentlemen to come into the Establishment that the *Bank* propos'd to lend them what Monies they should want, at low Interest. For a little while they served them in this kind, but soon dropt them, and with most aggravating Circumstances, while they lend nothing themselves, and have diverted the Money that used to be lent on such

Securities: And these Gentlemen may depend on it, they will never have a greater regard to their Interests and Accommodations, than hitherto.

Their next Pretence is, That they are serviceable to the Trade of the Nation, but the very Pretence should shock any considering Man: For the *Bank of England* to set up for advancing the Trade of the Nation is a flat Contradiction. But by examining this a little more fully, I shall show that the *Bank* is so far from being any ways a help to Trade, that it is really the most dangerous Obstruction to it. It may very well be affirm'd, that all Monopolies are prejudicial to Trade, and are grievances against which both Divine and Humane Laws have fenced. If it be necessary for the publick Good that *Curses should be pronounced against him that heapeth up Corn, but Blessings should be upon the Head of him that selleth it*, it will be as necessary the same Curses should be pronounced against them that heap up what is the purchase of it. A Miser is a bad Subject, as well as a bad Christian, and there is this difference only whether he bury his Money in the Ground, or lodge it in Hands that use it not themselves, or for oppression, that the one does no good, the other mischief. Of all Monopolies, a wise State should constantly discourage

courage a Monopoly of Cash and Credit, they being to Trade what the Blood and Spirits are to the Body, which then thrives best, when every part receives its proportion, and there is a free unrestrained Circulation through the whole, but if a Tumour or unnatural Excrefcency draws too much to its self, the Body must feel a sensible decay in the vital Parts. The Allusion is but too visible in the Case before us. It is a notorious and very melancholy Truth, that Commissions of Bankruptcy have grown upon us of late Years, and it calls as well for our Christian Compassion, as Political Consideration, for redressing this Evil: And though our Losses have of late been great, yet, without breach of Charity, I may assert, that nothing has so much contributed to them, as the extravagant Credit of the *Bank*, which having ruined all private Credit, has made it almost impossible for any to subsist on their own Foundations. It is very evident too, what a Scarcity of Money is throughout all the Country, and such as give not themselves the leisure to look into all the Causes of it, are contented to place it wholly to the Account of the War. Without doubt the War cannot but be felt every where, and there is no occasion to lay more to its charge than really belongs to it, but

would they seriously examine into the truth, they might easily be convinced, that the Taxes have not been more the occasion of the Poverty and Scarcity of Money in the Country, than the pernicious Practice of Gentlemen's lodging their Monies in the *Bank*, thence never to return, but to be immured, and rust for want of use. The Trade of this Nation, especially our In-land-Trade, must be carried on with ready Money, as well as Credit, and *Bank-Bills* will not answer all the Necessities of our Yeomen and Country-Chapmen: The Gentlemen more particularly applied to, are Witnesses of this Truth, that in many Places of the Kingdom, the Species is so rare, that they have scarce enough for absolute Necessities of Life, much less for trading to any purpose; and if ever we expect a Remedy to this growing Evil, we must discourage every thing that prevents the return of Money into the Country. I may illustrate this by a Similitude very familiar to the Gentlemen I write to. A wise Man in his Woods takes care for the thriving of his Underwood as well as his Timber, and that the one may not be choaked by the other, nor the Influence of the Sun and Air kept from any Part; His Timber-Trees must not be too close set, and when their Branches spread

spread so far as to unite, they must be lopt, and kept open, or the Underwood will be Shrubs, and the Timber-Trees themselves be checkt in their Growth. Would the Country-Gentlemen, as in the good old Days, make their diligent neighbouring Tradesmen their Cashiers, their Ambition and Industry would increase with their Power; such a Confidence would encourage and enable many a brisk ingenious Man to push for the raising his Fortune, who now being fix'd down to his own narrow Bottom, dares not attempt any thing beyond small and safe Trading. What a Loss this is to the Nation, we may well judge, if what *Solomon* says be true, that *the hand of the diligent maketh rich*. But this cannot be rectify'd, while a Confidence in the Security of the *Bank*, and the Temptation of small Interest, rather than none, makes the money'd Men chuse rather to deposit their Money there, than in the Hands of private Tradesmen; nay, this is a Misfortune that will grow upon us when the War is ended, and therefore ought to be more seriously consider'd. If this then be a Fault to be mended, the Temptation must first be removed, and all (as much as possible) must be put upon labouring for the publick good themselves, or assisting such as will. And if the

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Experiment were try'd, I am confident it would produce glorious Fruits for the Publick, and the Country-Gentlemen would soon taste the Sweet of bringing the course of Money into its ancient Channel, in all those Instances which more nearly concern them, the establishing their Interests, the security and due payment of their Rents, the reducing of Interest, and advancing the Price of their Lands. How much these are sunk, is very heavily felt by them, and the Cause is not so much the Poverty of the Nation, as such Corporations as these, which divert such as would be Purchasers, by the Prospects of more Ease and greater Interest. This needs no further Arguments to prove it, than the immense Sum that either lies dead here, or is continually transacted in their Securities. I might here show what Helps they can pretend to give to the other Branches of our Trade, but as the same Inconveniencies will lie against them in our foreign as in our In-land Trade, and perhaps not less demonstrable, I shall confine my self to what has been said on this Head, and pursue them no further in this Track, (being not so suitable to the particular Address to the Country-Gentlemen) yet shall dismiss them with this undeniable Remark, That whatever Favours they are capable of doing in this
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Particular, they are constantly confined to their own Members, which is so far from being a Service to the Publick, for which they can merit a further Establishment, that it ought to be insisted on as an Argument against them, as they thereby enable some particular Merchants to oppress the others. Besides, to press this further would make me break my Promise of Brevity, for which end I labour more to say as little as possible on each Head, than all that might be said.

I shall therefore next hint at the more dangerous and threatening Appearances the *Bank* carries with it, as it is directly levelled at the destruction of our Constitution, and herein I shall not proceed only upon presumption of what is possible or probable to be the Consequence of such an Establishment, but shall produce an undeniable Instance of what they have already done, and will continually do for the Subversion thereof. Let us then first suppose the *Bank* establish'd with all its Powers and Priviledges, the first probable Consequence will be, that having paid a Price for their Charter, they will endeavour to make the most of their Bargain from the Government, as well as private Persons, by making them pay what Rates they please for their Services, and by making all, whose Interests are

are opposite to theirs, feel the Effects of their Resentment and Oppression, and this both in War and in Peace. Then I would beg Gentlemen seriously to lay to Heart, and consider what an extravagant Power is here lodged in the Hands of a few private independent Persons; what an Instrument may this be in the Hands either of a designing Prince or Subject; what Disturbances and Confusions in a State may such a Treasure in ill Management create. God knows the Consequences of it, but however his Providence may over-rule it, I am sure we have no reason, in prudence, to depend, or expect they should not be perverted to ruin us. For granting that the Directors will be always Men of Integrity, yet this will not be an infallible Security, unless they could be placed out of the reach of Compulsion. It is remarkable, that the first Step *Cæsar* took for overturning the *Roman* Common Wealth, was the seizing the publick Treasure, though preserved by Officers chosen by, and accountable to the State, and protected by the Sacredness of the Temple, what Service this did him in his Attempt, need not be insisted on; and who is sufficient to undertake there will never be such a desperate Attempt again. But that even the Directors themselves should be corrupted,

rupted, is no such wild Notion as some would perswade us, we have a fresh Instance, and within our own State and Memory, of the Influence a Court may have on such Trustees: We know how far the *Goldsmiths* were prevail'd on in a late Reign, to advance Money to the Government, to the detriment of the Publick; and had that Reign as much studied the Alteration of the State, as the indulging their Pleasures, we at this Day had felt it in another manner than we do: And if the Court was able to prevail with so many Persons, who had such separate Interests, what might they not have done, if the *Bank* had been then establish'd, and a *Backwell* and a *Viner* had been the Directors. But should our too secure Gentlemen look on these Things as Dangers out of sight, and tho' possible, yet not probable, I beg them to reflect on what they have done, and daily do towards the ruin of our happy Constitution, by their Influence on the Elections of Members of Parliament, which is the most peculiar distinguishing Priviledge thereof. The Mischief of procuring Members to be elected by such Influence is grown to that heighth, that some Remedy must be put to it, or the *Country-Gentlemen* must throw up their Interests, and all Thoughts of serving their Country. They have

indeed, many of them, nobly defended their Rights, by countermining their Adversaries : But it is too hard for them always to *act* against a *Bank* to the ruin of their Estates, and this can never be remedy'd, while such a Power stands establish'd by Law. It is impossible to remove this Charge from these *Corporations*, it being no otherwise accountable how so many of the Citizens can procure the Honour of Seats in the House, without any apparent *Interest*, *than that* there is an incontestable Power in such *Societies*, for supporting their Pretensions ; or why so many of their Directors are Members, than that it is an indisputable Merit to be of their Number, and such shall be maintain'd against all Opposition. Here is room for all the Rhetorick possible to expose this Evil, but the bare mentioning it, I am perswaded, is enough to prevail with all who feel the Weight of it, not to bind the Load yet faster on their own Backs.

It would be unaccountable, how a Nation so Wise, and Jealous of every Thing, that has but the appearance of indangering their Liberties, should ever be prevail'd with to consent to the erecting such a Confederacy, were it not their *Generous* Consideration of the *Crisis* and *Distress* of the Times in which it had its Origin. The *Bank*
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and the *Army* are Two equally dangerous Powers in a free State, and should never be rais'd but in unavoidable Necssities, and when their Work is done, and they are paid their Reward, they should both be disbanded. I think of the Two, I should rather consent to keep up a *Standing-Army* in Time of Peace, without a *Bank* to pay them, than to establish a *Bank*, as now it is amongst us, even without an *Army*, which may be procur'd at pleasure. I am sure, whatever Arguments can be produc'd for disbanding the *Army*, when the War is ended, will hold as strongly for dissolving the *Bank*, when we have no want of them. And 'twould be wonderful, if those Gentlemen who refus'd to trust K. W. with a *Standing-Army*, when there was some appearance of Conveniency in it, should consent to vest such a Power in the Hands of the *Lord knows who*, against such cogent Reasons to the contrary, and at a Time when they can do no service, but what may be better perform'd without them. But that I may not be too tedious, I shall beg all *Gentlemen* to reflect on this one Thing further, That such an Establishment is contrary to the Practice and Polity of the wisest States on Record. It is a true Maxim, *That a State that would maintain its Power, should make its self as*

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strong as possible, but not to create any Society so strong as to be able to disturb it. I believe 'tis impossible to give an Instance of any such *Bank's* being erected in any State but this; in all others that I have heard of, the *Bank* or *Treasure* is vested in the State, and such it is now in *Amsterdam*, from whence our Projectors first took their Hint; and in this, that wise Nation acts consistently with its self, while They keep the Power in Their own Hands, and apply the Profits and Advantages to the publick Account, and herein Theirs is directly the Reverse of Ours, in the One the Publick gains from them that give them Credit, in the Other the *Bank* drains all the Profit from the Publick. A very wide Difference! But if an Example can be given of such a Society's being establish'd elsewhere, I am sure their Reasons will not hold here, where Providence seems to have secured our Trade and Credit like our Island, with Natural more than Artificial Fortifications: And the Succession of the Crown in the Protestant Line, and the Faith of our Parliaments are as much better Securities to our Credit, than a *Bank*, as the Sea is a better Protection against Invasions, than the most impregnable and best contriv'd In-land Fortifications.

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I have now, I hope, sufficiently (tho' not so fully as might be) shown that the *Bank* is not only unnecessary, but prejudicial and destructive: It remains only briefly to consider what Pleas they can have to engage us to run so needless a Risk in further establishing them under these dismal Apprehensions. They are either a Consideration of past Services, or a Proposal of a present extraordinary Accommodation. The first I hope they will have the Modesty not to insist on; for considering what prodigious Advantage they have made for so many Years, to the great Loss of the Nation, we are so far from being bound in Gratitude, to grant them an unreasonable Request, that in Gratitude they ought not to ask more, but be thankful, and acknowledge *they have had their Reward.*

Their only Pretence then must be a Proposal of a present Accommodation, by offering a Loan to the Government; but I am perswaded, the *Gentlemen* I address to, will need no Arguments to convince them, that if the Government can be supplied as readily, and more safely, with what they want another Way, they had better comply with those Means, than take a Loan with such a dangerous *Tack*: This would at least look like selling our Liberties, a more dangerous *Tack* having never

ver been attempted, and should this Bait take again from the same Hands, it will be the most fatal Money the Government ever touch'd. This mortgages the State past redemption, on the *Bank* it must wholly depend for the future ; and all private Persons will throw up the Thoughts of doing the Services they have done. If then a Method more easie, more advantagious, and more honourable to the State be offer'd, what should blind us, to prevent its being accepted : Such a Method has been, and is still practiced amongst us ; and I can't comprehend why, when our Credit is so flourishing, we should not enlarge it by circulating more *Exchequer-Bills*, which may be done with a small Provision for *Premiums* and *Interest* to what Sum is requir'd.

The *Bank* should be the last Resort of the Government for supply, being sure of that whenever they please : But when it hath secur'd its own Point, 'tis probable it may be the Last they *can* have. If the private Credit of their Friends, and their own Credit by this means should be ruin'd, then whatever Necessities they may be in, they must throw themselves upon these imperious Masters. By the Method propos'd, they will have the Money they want, when their Wants arise ;
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and in the mean Time, the Interest will be saved to the Publick, they may sink their Debts with their own Convenience, and maintain and defend their own Honour and Credit without any unnecessary dependance.

Much more might be said on this Head, and there are many other Methods that may be used before the *Bank* is establish'd, which afterwards will be impracticable ; but I think none of them so very advantageous and honourable to the Publick, as the Method before mention'd. But that I may not seem to impose Ways and Means on those to whom the Care of them more peculiarly belongs, I shall briefly conclude these Thoughts, with a Request to all *Gentlemen*, That if they would have Trade flourish, by enabling and encouraging all to be industrious, and push their Fortunes ; if they would have a free Circulation of Money ; their Interest low ; their Re. ts secur'd, and the value of their Lands raised, they would not strengthen this *Damm*, that opposes these Blessings. If they would have their Peace and Liberties safe, by putting it out of the Power of any to molest them, and by keeping their Elections free ; they would not repair this *Fort* that

that over-awes them. Lastly, I entreat them by all the Engagements of Honour to their Country, Compassion to the poor Tradesmen, and their own Interest, *Not to establish Iniquity by a Law.*

F I N I S.

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